

HOUSE BILL 2289
By Ritchie

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 5, relative to teachers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 5, is amended by adding the following language as a new, appropriately designated section:

Section ____.

(a) Each local education agency may offer interest-free loans to a teacher for the purpose of obtaining a master's or doctoral level degree at any state college or university in the subject area or field of study in which such person teaches or plans to teach in the public elementary or secondary schools of this state.

(b) If the LEA elects to offer interest-free loans as provided in subsection (a), the LEA shall establish an education loan revolving fund from revenues received from gifts, grants and state and local government appropriations and provide the loans from such fund. The legislative body of any county or municipality may appropriate funds for the purpose of establishing such funds for its LEA.

(c) The loans shall be available to any person who has taught in a public elementary or secondary school in this state for at least two (2) years prior to requesting a loan authorized by subsection (a).

(d) The loans shall not be due and payable until the person obtains the degree being sought. Repayment shall be made by applying two-thirds ($\frac{2}{3}$) of any annual salary increase such person receives from the local education agency for obtaining the advanced degree. The LEA is authorized to withhold such amounts from the teacher's pay to be applied to the loan repayment until the loan is paid. All funds received for the loan repayment shall be deposited in the education loan revolving fund established pursuant to subsection (b).

(e) If the person obtains a loan under this section and does not continue to teach in the public elementary or secondary schools of this state, the LEA has the option of requiring the loan be paid in full at the time such person is no longer teaching as required in this section or allowing repayment of the loan in an amount which would equal two-thirds ($\frac{2}{3}$) of any annual salary such person would have received from the LEA for obtaining the advanced degree had the person remained in teaching plus any interest which may be due. If the LEA retains the loan, the loan shall begin to accrue interest annually at the formula rate established in §47-14-102(6) at the time such person is no longer employed as a teacher.

(f) If the person continues to teach in the public elementary or secondary schools of this state but in a different LEA from that which advanced the loan, the appropriate LEAs are authorized to enter into an agreement to withhold the amount established in subsection (d) from the person's salary to be forwarded to the LEA which advanced the loan to be applied to the loan payment in accordance with subsection (d). In the absence of such agreement, the LEA which authorized the loan is authorized to proceed with collecting the remaining balance due in accordance with the previously established repayment schedule

and shall have the authority to force the payment of the loan and collect the balance due in the same manner as provided by law for the collection of debts.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

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